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FINANCE DEPARTMENT

NOTIFICATION.

Fort St. George, the 25th Mar 1926.

No. 70.—The following notification of the Government of India is republished:—

GOVERNMENT OF INDIA

FINANCE DEPARTMENT

No. F.70-F.30.

Sindia, the 15th May 1925.

Subscriptions for an issue of a 4 per cent Loan, 1920-70, will be received from the 7th June 1925. Subscriptions may be by cash or in the form of 6 per cent Five-year Bonds, 1925, 6 per cent Five-year Bonds, 1927, or 5½ per cent War Bonds, 1925. The loan will be closed without notice to subscriptions in cash and in the form of 6 per cent Five-year Bonds, 1925, as soon as it appears that the total subscriptions in these two forms amount to approximately 25 crores, and in any case not later than the 30th June 1925. Subscriptions in the form of 6 per cent Five-year Bonds, 1927, and 5½ per cent War Bonds, 1925, will be received without limit of amount up to the 30th June 1925.

4 PER CENT LOAN.—Issued at Rs. 100 per cent and Repayable at par not earlier than 1920 and not later than 1970.

2. DATE OF REPAYMENT.—If not previously repaid, the loan will be repaid at par on the 15th September 1970; but the Government of India reserve to themselves the right to repay the loan, or any part of it, at par on or after the 15th September 1950 on giving three calendar months' notice in the *Gazette of India*.

3. ISSUE PRICE.—The issue price will be Rs. 99 for every Rs. 100 of the loan applied for.

4. INTEREST.—Payable half-yearly at the rate of 4 per cent per annum on the 15th March and the 15th September.

Advance interest from date of purchase to the 15th September 1925 inclusive will be paid at the time of issue of securities.

Interest on the loan will be liable to income-tax.

Conversion terms.

5. 5 PER CENT FIVE-YEAR BONDS, 1925, will be accepted at Rs. 101 per Rs. 100 nominal as the equivalent of cash in subscription to the loan. At the time of the issue of the new securities, which will bear interest from the 15th September 1925, tenders of these Bonds will be paid interest at 5 per cent (free of tax) due on the Bonds up to the day preceding the date of tender and advance interest at

4 per cent on the new loan from the date of tender up to the 14th September 1926, inclusive.

6. 6 PER CENT FIVE YEAR BONDS, 1927, will be accepted at Rs. 102-4-0 per Rs. 100 nominal as the equivalent of cash in subscription to the loan. At the time of the issue of the new securities, which will bear interest from the 15th September 1926, tenderers of these Bonds will be paid interest at 6 per cent (free of tax) due on the Bonds up to the day preceding the date of tender and advance interest at 4 per cent on the new loan from the date of tender up to the 14th September 1926, inclusive.

7. 5½ PER CENT WAR BONDS, 1925, will be accepted at Rs. 104-8-0 per Rs. 100 nominal as the equivalent of cash in subscription to the loan. At the time of the issue of the new securities, which will bear interest from the 15th September 1926, tenderers of these Bonds will be paid interest at 5½ per cent (free of tax) due on the bonds up to the day preceding the date of tender and advance interest at 4 per cent on the new loan from the date of tender up to the 14th September 1926, inclusive.

Supplementary provisions.

8. The loan will be issued in the form of—

- (a) Stock, the purchasers of which will be given stock certificates, or
- (b) Promissory Notes.

If no preference is stated by the purchaser, the securities will be issued in the form of Promissory Notes.

9. The loan in the form of Promissory Notes in denominations of Rs. 100 or multiples thereof can be purchased on payment of the amount due—

(a) Without formal application, at any Local Head Office or Indian Branch of the Imperial Bank of India;

(b) On application, at the office of the Controller of the Currency, Calcutta, Deputy Controller of the Currency, Bombay, or Northern India, Delhi, or of the Accountant General, Madras or Borneo, or at any Government treasury.

Applications may be in the form attached hereto, or in any other form which states clearly the amount and description of the securities required, the full name and address of the purchaser, and the treasury or sub-treasury at which he desires that interest shall be paid.

10. Stock can be purchased in denominations of Rs. 100, or multiples thereof, on payment of the amount due, from the Public Debt Office, Calcutta, through any of the following offices:—

(a) The Local Head Offices and Indian Branches of the Imperial Bank of India;

(b) Offices of the Controller of the Currency, Calcutta, Deputy Controllers of the Currency, Bombay, and Northern India, Delhi, and of the Accountants General, Madras, and Borneo;

(c) Government treasuries.

Applications may be in the form attached hereto, or in any other form which states clearly the amount and description of securities required, the full name and address of the applicant, and the treasury or sub-treasury at which he desires that interest shall be paid.

11. (a) Payment may be made either in cash or by cheque. In the case of purchases of securities at the Local Head Offices of the Imperial Bank of India at Calcutta, Bombay, or Madras, cheques should be drawn in favour of the Secretary and Treasurer. In the case of purchases at a branch of the Imperial Bank, cheques should be drawn in favour of the local Agent. In the case of purchases made at a Government Office, the cheques should be drawn in favour of the officer to whom the application is presented.

(b) Payment for the loan may also be made by tender of 4 per cent Five-year Bonds, 1926, 6 per cent Five-year Bonds, 1927, and 5½ per cent War Bonds, 1925, as laid down in paragraphs 5 to 7. If the value of the Bonds tendered does not correspond exactly to the price payable for the amount of the loan applied for it will be at the option of the tenderer either to pay in cash the further amount required to make up an exact multiple of the issue price per cent of the loan, or to have the broken amount refunded to him in cash.

Example.—An applicant tenders Rupees 400 nominal of 6 per cent Bonds, 1926, in subscription to the loan. In accordance with paragraph 5 above the cash value of these Bonds for the purpose of subscription to the loan is Rs. 404. The applicant may obtain either Rs. 500 nominal of the new loan on payment of Rs. 56 in cash in addition to the Bonds tendered or Rs. 400 nominal of the new loan plus a refund of Rs. 52 in cash.

Applicants who tender Bonds in payment must transfer such Bonds to Government, (a) in the case of Promissory Notes, by endorsing these with the words "Pay to the Governor-General in Council" over their signature, and (b) in the case of Stock, by signing the form of transfer deed on the back of the Stock Certificate before a witness. In the case of Bearer Bonds, no writing is necessary.

12. Brokerage will be paid at 1/16 per cent to recognised bankers and brokers on applications for the loan bearing their stamp.

13. Applications for Stock or Promissory Notes will also be received at the London office of the Imperial Bank of India, 5 Whitlington Avenue, London, W.C. 2, on payment in sterling of the purchase price of the loan applied for at the rate for telegraphic transfers on Calcutta on the date of payment.

Applications for conversions of 4 per cent Five-year Bonds, 1926, 6 per cent Five-year Bonds, 1927, and 5½ per cent War Bonds, 1928, will also be received at the London office of the Imperial Bank of India.

Advance interest due in accordance with paragraphs 4 to 7 above will be paid by the London office of the Imperial Bank of India at the time of application by means of rupee drafts on India which will be negotiated by the Bank, if the recipient so desires, at the current rate on the date of payment of subscription. Any broken amounts due for refund in accordance with paragraph 11 (4) above will be paid by the Imperial Bank in the same way.

The Imperial Bank of India will send weekly advices to the Public Debt Office, Calcutta, of all applications received by them for subscriptions paid in cash or by tender of Bonds and the latter will forward the scrip direct to the applicants.

(By order of the Governor-General in Council)

J. E. C. JONES,
Offg. Secy. to the Govt. of India.

Form of Application.

I
We
hereby tender * Rs. _____
in payment for 4 per cent Loan 1926-29 of the
nominal value of Rs. _____
to be used to _____ in the form of ^{Temporary} ^{Stock} ^{Certificates}
interest to be payable at _____
Signature _____
Name _____
Address _____
Date _____

* Where payment, either in whole or in part, is made by tender of funds, the entry should be "Cash Rs. _____ of the value of Rs. _____"

Where self Bonds are tendered, they should be endorsed with the words "Pay to the Governor-General in Council" over the signature of the applicant if they are in the form of Promissory Notes; and the transfer deed in the back thereof signed by him, before a witness if they are in the form of Stock Certificates. In the case of Bearer Bonds no writing is necessary.

(By order of the Governor in Council)

G. T. ROAD,
Secretary to Government.